



WASHOE COUNTY

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STAFF REPORT

BOARD MEETING DATE: December 8, 2020

DATE: November 1, 2020
TO: Board of County Commissioners
FROM: Ben Hutchins, CPA, Director, Finance and Customer Service Division
Community Services Department, 954-4646, bhutchins@washoecounty.us
THROUGH: Dave Solaro, Arch., P.E., Assistant County Manager
SUBJECT: Recommendation to acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of September 30, 2020. (All Commission Districts.)

SUMMARY

This report is an annual update on activities associated with the Water and Sanitary Sewer Financial Assistance Program pursuant to Washoe County Ordinance No. 1545 that authorized the use of gifts, grants, monies and loans to assist property owners to pay fees and on-site costs associated with conversion from private water and sewer systems to Washoe County public water and sewer systems.

During the period October 1, 2019 through September 30, 2020:

- two loans were paid in full, and
- one additional loan was made in the amount of \$17,529.72.

As of September 30, 2020:

- six loans were outstanding with an aggregate loan balance of \$72,727.77, and
- all loans were current.

Strategic Objective supported by this item: Stewardship of our Community.

PREVIOUS ACTION

On April 25, 2017, the Board of County Commissioners (Board) approved amendments to Washoe County's Water and Sanitary Sewer Financial Assistance Program Policies and Procedures.

The Board has been provided and acknowledged receipt of annual reports of the Water and Sanitary Sewer Financial Assistance Program status since September 30, 2015.

On October 28, 2014, the Board approved revisions amending Chapter 40 of the Washoe County Code, adopting Ordinance No. 1545, that authorized eligible residential property owners receiving water service from the Truckee Meadows Water Authority to participate in the water and sanitary sewer financial assistance program. Revisions to Chapter 40 also included reduced reporting requirements to the Board from quarterly to annually.

AGENDA ITEM # _____

The Board has been provided and acknowledged receipt of quarterly reports of the Water and Sanitary Sewer Financial Assistance Program status from February 2011 through September 30, 2014.

On July 27, 2010, the Board adopted Ordinance No. 1449 which amended Chapter 40 of the Washoe County Code by adding provisions governing the administration of the Water and Sanitary Sewer Financial Assistance Program.

On July 27, 2010, the Board adopted formal policies and procedures related to implementing the Water and Sanitary Sewer Financial Assistance Program. In the summer of 2008, the Board included in its 2009 Legislative Agenda a request for legislation to give the County authority to create a financing program to assist property owners in connecting to its community water and sewer systems. Pursuant to this action, a bill draft was developed that ultimately became Assembly Bill 54 (AB54).

BACKGROUND

Based on studies performed and data reviewed by the Community Services Department (CSD), many domestic water wells have failed or no longer provide safe drinking water because of over-appropriation of water resources, declining water tables, poor water availability due to geologic structure, and/or water quality issues caused by natural contaminants or groundwater contamination caused by septic system effluent. Converting parcels served by domestic wells or on-site septic systems to available public water or sewer systems, where such systems are or can reasonably be made available, would substantially reduce the identified negative impacts to property owners.

Pursuant to Assembly Bill 54, the Board passed Ordinance No. 1449 (Bill No. 1630) and approved the written policies and procedures on July 27, 2010, which established a Water and Sanitary Sewer Financial Assistance Program authorizing the use of grants, gifts or other available monies to provide loans to assist qualified property owners to pay fees and on-site costs associated with conversion from private water and sewer systems to Washoe County public water and sewer systems. That ordinance required the Administrator to report to the Board on a quarterly basis on the activities associated with the program, including loans made and loan repayment activity. On October 28, 2014, the Board amended Chapter 40 of the Washoe County Code and adopted Ordinance No. 1545, that authorized eligible residential property owners receiving water service from the Truckee Meadows Water Authority to participate in the water and sanitary sewer financial assistance program. These revisions also included reduced reporting requirements to the Board from quarterly to annually.

During the period October 1, 2019 through September 30, 2020:

- two loans were paid in full, and
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- all loans were current.

On May 1st of each year any loan that has four delinquent installments has all delinquent amounts - plus any accrued service charges, fees, interest and penalties - added to the real

property tax roll July 1st and collected through the procedures set forth in NRS 244.36605. Subsequent to September 30, 2019, no delinquent payments were attached to the tax roll.

FISCAL IMPACT

As of September 30, 2020, six loans were outstanding with an aggregate loan balance of \$72,727.77 (\$53,949.14 County, \$18,778.63 TMWA); the related total original principal amount for these loans was \$94,819.76 (\$74,071.96 County, \$20,747.80 TMWA).

All loan recipients make quarterly installments over 20 years. Fixed interest rates are offered to applicants based on the weighted average cost of debt held by each respective utility, which is recalculated on July 1st of each year. Program interest rates associated with all loans held throughout the duration of the program ranged from 3.22% to 5.79%.

Loans and related activity are recorded in the Utilities Fund – AB 54 Loan Program (566 - Cash Fund 5120) as previously approved by the Board or by TMWA.

Water loans subsequent to December 31, 2014 are funded by TMWA, but are administered by the County. As of September 30, 2020, only one water loan fits this classification.

RECOMMENDATION

It is recommended that the Board of County Commissioners acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of September 30, 2020.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be: "Move to acknowledge receipt of the Washoe County Water and Sanitary Sewer Financial Assistance Program Status Report as of September 30, 2020."

**Washoe County Water & Sanitary Sewer Financial Assistance Program
Loan Status Report
As of September 30, 2020**

Status and Area	Water or Sewer	Construction Costs	Utility Fees	Grants	Original Loan Amount	Loan Balance @ 9/30/20
CONSTRUCTION COMPLETE						
1) Mayberry Ranch Estates	S	8,050.00	16,576.23	(5,100.00)	19,526.23	12,535.97
2) Mayberry Ranch Estates	S	9,250.00	16,576.23	(5,100.00)	20,726.23	12,977.92
3) Spanish Springs	S	4,798.36	9,443.00	(9,443.00)	4,798.36	3,131.25
4) Spanish Springs	W	5,641.42	5,850.00		11,491.42	8,211.21
5) Lemmon Valley (TMWA)*	W	13,943.50	6,804.30		20,747.80	18,778.63
6) South Truckee Meadows	S	10,879.72	6,650.00		17,529.72	17,092.79
Total final costs		<u>52,563.00</u>	<u>61,899.76</u>	<u>(19,643.00)</u>	<u>94,819.76</u>	<u>72,727.77</u>
Summary	Sewer related	32,978.08	49,245.46	(19,643.00)	62,580.54	45,737.93
	Water related	19,584.92	12,654.30	-	32,239.22	26,989.84
	Total final costs		<u>52,563.00</u>	<u>61,899.76</u>	<u>(19,643.00)</u>	<u>94,819.76</u>

*Funded by TMWA through an Interlocal Agreement with Washoe County